



DRAFT!

**AGREEMENT  
FOR COOPERATION AND FRATERNIZATION  
BETWEEN  
KOZLODUY DISTRICT, VRATZA REGION, REPUBLIC OF BULGARIA  
AND  
COPELAND DISTRICT, WEST CUMBRIA REGION, UK**

This Agreement for cooperation and fraternization expresses the will of the local authorities to strengthen the friendship and mutual understanding and further social and economic development of the two districts in the interests of their citizens.

Both parties recognize the role of the UK DTI as a consultant, supporting their partnership.

The two parties reached an agreement on the following:

**1. Areas for cooperation.**

The parties submit that they will join their efforts in order to organize and implement sharing experience and information activities for mutually beneficial cooperation and joint work in the following directions:

**1. Intra-institutional cooperation.**

In order to strengthen the partnership between the two local authorities a mutual exchange of information will take place, which will assist for deepening the knowledge on the territorial realities in the main social and economic areas of both parties, as well as on the tasks and functions of the local self-governments and local administrations.

**2. Commercial and economic cooperation and European programs.**

The two parties will contribute to the mutual consultations, experience sharing, support for developing the small and medium-sized business and establishing conditions for employment.

The Agreement will facilitate the relations of commercial and economic nature: fairs, exhibitions, meetings, etc.

The parties state that they will cooperate in the field of the European programs, in the exchange of information and experience as regards the Structural Funds and the Cohesion Fund of the European Union, as well as in the development and application with joint projects in various areas of the social and economic development of the two countries, financed by the EU.

**3. Taking into account and using the UK experience in overcoming the social consequences of nuclear capacities' closure**

The parties will promote public-private partnerships, addressed to employment creation. Pre-requisites will be created for contacts and exchange of experience between the specialized state institutions – Labour Office, Social Services, etc.

The UK party will provide consultancy and will assist in the development of fundamental strategic documents of Kozloduy district.

**4. Cultural and social exchange, tourism and sports.**

The parties will organize the establishment of direct contacts between the cultural and educational institutions and sports organizations. Special attention will be paid to the contacts in the areas of health and social care. The mutual exchange of youth

groups will be encouraged. The cooperation will promote the development of the tourism, including through exchange of tourism information and technical assistance. Investment opportunities in this sector will be sought for. Direct contacts between the tourism organizations and companies will be encouraged in order to find economically favorable forms for travel and stay.

**II. Coordination, financing and control on the joint activities.**

The parties will develop a specific program for cooperation after this Agreement is signed and becomes effective. The program will list in details the joint actions and the ways for their implementation.

In organizing and financing the joint projects the parties will participate following the principle of equality according to their capacity. The support of donors will be also sought for. The parties will negotiate the financial conditions for their participation on a case-by-case basis.

**III. Duration of the Agreement.**

1. The Agreement is without limited duration.
2. The Agreement shall be examined and approved by the local authorities of the two districts – the Municipal Councils – and shall become effective from the date it is signed by the parties.
3. This Agreement is signed on .....2005 and is executed in two identical copies in Bulgarian and two copies in English.

**On behalf of Copeland district**  
**MAYOR:**  
**Norman Clarkson**

**On behalf of Kozloduy district**  
**MAYOR:**  
**Milko Torbov**

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## West Cumbria's collaboration with Kozloduy

### Report of visit, 13-17 June 2005.

#### 1. Introduction

Kozloduy is a small municipality of around 25,000 inhabitants on the banks of the river Danube in north-west Bulgaria. It is the home of Kozloduy Nuclear Power Plant (KNPP), one of the largest nuclear power stations in the world. Colleagues from Kozloduy visited West Cumbria as part of a UK study tour in February 2005, which was financed by DTI as part of their 'socio-economic consequences' programme and will inform their structural funds programmes following accession to the EU in 2007. At that meeting, it was clear that there were many issues on which the two areas could collaborate, and the Mayor of Kozloduy made a formal invitation to the then Mayor of Copeland to develop the relationship further. It was agreed that a return visit would be the most effective way to develop that collaboration, and Cumbria County Council's Copeland Local Committee generously donated resources from their international liaison budget to support the mission.



Kozloduy

#### 2. Socio-economic context

Kozloduy is one of 10 municipalities within the district of Vratsa. The district is largely rural and relatively sparsely populated of approximately 25,000 people. In Kozloduy itself, which has 16,000 residents, the KNPP dominates the local economy, employing 5,200 people. Outside of the plant, there are no obviously large employment sectors, and unemployment is high – around 19%. The KNPP produces around 45% of all Bulgaria's energy.

The most pressing issue affecting the local economy is the imminent closure of 2 of the KNPP's 6 reactors – a condition that was



imposed on Bulgaria by the EU as part of Bulgaria's accession treaty. Those reactors have now ceased to produce energy, and in a 'cooling down' period prior to decommissioning. Two of the remaining reactors are also expected to be decommissioned. The KNPP management are actively managing the impact that this change will have on personnel, dealing with issues of re-training, staff motivation and pensions and early retirement issues. In general, they are expecting that, with proper planning, the expected job losses can be coped with through 'natural wastage' – such as voluntary retirement. Redundancy levels will not approach those in West Cumbria, however KNPP's proactive approach is likely to enable those taking voluntary redundancy to gain alternative employment, particularly within western multi national companies based in Sofia. The impact of decommissioning on the supply chain, of around 6,000 companies, is less certain and there are clear similarities with West Cumbria in terms of the community's historic reliance on a large dominant employer effectively discouraging wider entrepreneurial activity.

In order to cope with the reduction in energy supply, the Bulgarian government are currently commissioning the construction of a new nuclear facility 100km further down the Danube at Belene.

### 3. Objectives and purpose of visit

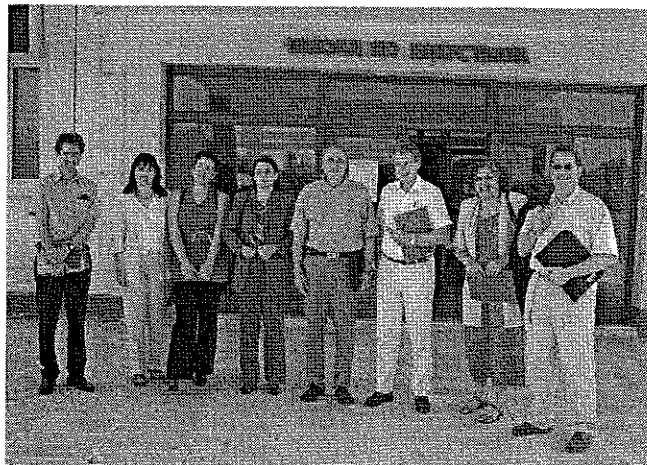
In planning this visit, Cumbrian delegates identified clear objectives for the mission. These were:

- To share knowledge and experience of the processes of **economic restructuring** in balance with **social development**, particularly in the context of an area dominated by large nuclear facilities that are in economic decline.
- To assist in **building the capacity** of public institutions in the Kozloduy region, to enable them to deliver regeneration more effectively, using EU and other funds
- To establish a network of contacts between the two regions to enable collaborative **future projects** to be developed effectively and efficiently.

### 4. Programme of events

A programme was largely devised by our Bulgarian colleagues. Key events included:

- Meetings with UK and Italian 'twinning advisers' based in the Ministries of Economy and Regional Development. These individuals are specifically responsible for the development of EU structural fund programmes from 2006 onwards
- Presentations from Cumbria partners to a seminar of around 30 local politicians and practitioners
- Visit and introduction to the work of the KNPP
- Site visits to local projects and sites of interest, such as tourism sites
- Meetings with politicians to consider more formal



relationships between Kozloduy and West Cumbria.

- Meetings between practitioners to identify future partnership actions and to start identifying specific projects ideas relevant to the regeneration strategies of both communities.

## 5. Outcomes

The visit was extremely successful in terms of establishing relationships and identifying specific opportunities for future joint working. Both Cumbrian and Kozloduy participants were highly satisfied with the progress made and enthusiastic about future collaboration. Specific outcomes include:

- 1) The **formalisation of the collaboration** – through the development of a formal, written Cooperation Agreement, which will be signed in due course by municipality of Kozloduy and by a west Cumbrian partner (either Copeland BC of the West Cumbria Partnership, depending on ongoing dialogue). A copy of the draft Cooperation Agreement, prepared by the Kozloduy Municipality, is attached in Annex 1.
- 2) A range of **potential project ideas** were identified for further development by partners in Kozloduy and in Cumbria, including:
  - a. Sharing experience of health prevention work and community health-related activity
  - b. Developing the cultural and tourism potential of the two areas, possibly funded through the EU Culture 2000 programme
  - c. Developing the environmental technology sector in both areas, including spin-out from large firms such as the KNPP, possibly funded through the EU Sixth Framework programme
  - d. Education and training links and exchange of personnel, funded through the EU Leonardo programme.
  - e. A commitment to finding ways to support a support project for Roma families in the village of Butan, near kozloduy

Annex 2 outlines the practical steps that partners will now take forward to progress the above ideas and generate tangible outcomes from the partnership between West Cumbria and Kozloduy.

- 3) A **stronger link with individuals in the Sofia-based Ministries**, to help support on-going collaboration with Kozloduy or elsewhere in Bulgaria being financed by Bulgaria's Phare programme.
- 4) Ideas for the development of **mechanisms for Cumbrian partners to offer services** to similar EU communities - partners in West Cumbria clearly have a wealth of knowledge and experience in utilising EU structural funds to address issues of structural economic change. Cumbria also has a considerable track record of European and wider international co-operation, through the framework of EU programmes, and through the advice and support offered by Cumbrian partners to regions in new member states and the former Soviet Union.

Taken together, this range of experience within the Cumbrian sub-region enables us to offer support and development assistance to other EU regions, in particular relating to:

- Coping with economic change and conversion, particularly in areas experiencing the decline of primary or traditional industries.
- Developing economic strategies and action plans.
- Economic project design and development.
- The direction and management of EU structural funds as a tool for territorial development.
- The development of partnerships as a mechanism to cope with economic change.

The visit to Kozloduy provided an opportunity to explore the potential for Cumbrian partners to establish a mechanism for providing support to other communities in the EU and former Soviet Union. Consideration will now be given to the best way of achieving this, with a brief scoping paper attached at Annex 3 to inform initial discussions.